[Excerpted from Chapter 4 of draft Revised Phase II Report]

4.3 Policy Declarations

There are several other policy declarations which are prominently part of the draft preferred program alternative for a successful Bay-Delta solution.

Get better together. The CALFED Bay-Delta Program will solve problems for ecosystem quality, water quality, levee system integrity, and water supply reliability. Progress in each area needs to be linked to progress in all other areas so they all "get better together". Bundling (grouping) actions in the first stage of implementation will help assure progress in each problem area. Actions in Stage 2 will build upon progress in all resource areas in Stage 1.

Beneficiaries pay. Sharing the costs of implementing the preferred alternative based on the benefits being created is the cornerstone principle of the CALFED Financial Strategy. The fundamental philosophy is that costs will be paid by the beneficiaries of the actions, as opposed to seeking payment from those who, over time, may have been responsible for causing the problems being experienced in the Bay Delta system.

Existing water rights (especially area of origin) will be protected. Area-of-origin statutes protect the rights to water in watersheds where the water originates. These rights are important to protect against excessive appropriation for users outside these watersheds. This is an important concept for communities in the area-of-origin watershed that will grow over time and will need more water than they are currently using. CALFED supports this concept and will develop its Program consistent with the laws and regulations protecting areas of origin. The Phase II analysis examined potential programmatic impacts of the proposed alternatives on areas of origin.

Existing landowner rights will be protected. The CALFED Bay-Delta Program is designed to address a wide variety of problems and concerns affecting the Bay-Delta system. While it focuses on the Delta region, it has the potential for affecting land use throughout the vast solution area. CALFED seeks to accomplish its objectives in partnership with landowners, stakeholders, and communities throughout the solution area, being especially mindful of the potential impacts on private property owners. CALFED's concern extends beyond compliance with existing law and practice regarding private property rights. CALFED seeks to pro-actively address concerns about future land use impacts, property values, groundwater quality and access, environmental quality, jobs, and community health. CALFED seeks to accomplish these goals by minimizing the acquisition of property necessary to accomplish its goals and conducting its planning and

implementation processes in a very open process. CALFED seeks to involve potentially affected parties from the beginning, and incorporate local concerns into the planning process.

Land acquisition will generally follow a priority of public lands first, private land easements second, and private land fee acquisition third. CALFED seeks to preserve as much agricultural land as possible during Program implementation in Phase III. Some of land needed for Program implementation is already owned by the government and that land will be used when possible. Partnerships with landowners, including easements, will be pursued if the appropriate government land is not available. Acquisition of fee title to land will be used when neither available government land nor partnerships are appropriate for the specific need.

Lands acquired by CALFED agencies for fish and wildlife restoration will not exceed those called for in the ecosystem restoration program. Numerous activities and programs are ongoing or proposed that convert agricultural land to habitat for fish, wildlife, and wetland purposes. Examples are actions being taken through the Central Valley Project Improvement Act and the Central Valley Habitat Joint Venture to protect and restore significant areas of land in the Central Valley. To the extent that these activities and programs establish habitat that is proposed in the Ecosystem restoration Program, that habitat reduces the amount of habitat that is needed to achieve the ecosystem restoration program goals.

CALFED will develop an agricultural mitigation policy.

-- [under development] --

The quality of drinking water supplies taken from the Delta will be improved. The selection of a preferred program alternative can have profound effects on concentrations of bromide in drinking water supplies taken from the Delta. Bromide is important to water purveyors because it is capable of undergoing chemical reactions that produce unwanted and potentially harmful chemical byproducts during disinfection of drinking water. Total organic carbon also contributes to these potentially harmful chemical byproducts. In addition, salinity levels in source water can significantly affect drinking water quality and treatment costs. CALFED will evaluate alternative water source options, support ongoing EPA drinking water studies, and investigate treatment technologies to better protect public health. CALFED will conduct NEPA/CEQA environmental documentation and permitting for the preferred option resulting from these evaluations. In addition to these studies, CALFED is proposing specific water quality action for Stage 1 implementation.

The common Delta pool will be protected. The Delta is often referred to as a water supply hub. Many of the individuals and agencies that use water from the Bay-Delta system divert their water supplies directly from the Delta itself, including in-Delta agricultural users, some Bay area

communities, and the state and federal water projects. This reliance by many users on a single source is sometimes called the common pool concept. Accompanying the use of a common pool is common interest: a shared interest in restoring, maintaining, and protecting Delta resources, including water supplies, water quality, levees, and natural habitat. Water users who currently have no alternative to Delta supplies and people who live and work in the Delta region believe that the maintenance of the common pool is their best guarantee of continued broad interest in maintaining and improving Delta conditions.

Under the draft preferred program alternative, all diverters would continue to take some or all of their water from Delta channels, maintaining the common Delta pool concept. Under the primary conveyance strategy described above, all Delta diverters would continue to be fully reliant on the Delta channels for water supplies they take from the system. Under the contingent conveyance strategy, a dual conveyance system would allow some water users to take some of their Delta supplies from the Sacramento River upstream of the Delta.

Groundwater rights will be protected. Conjunctive management is the operation of a groundwater basin in combination with a surface water storage and conveyance system. Water is stored in the groundwater basin for later use in place of, or to supplement, surface supplies. Water is stored by natural recharge or by intentionally recharging the basin during years of above-average water supply. Residents of areas where conjunctive management may occur have concerns over development and operation of facilities by entities outside the region, due to potential impacts on existing groundwater resources. CALFED is including development of additional conjunctive management and groundwater banking opportunities as one potential way to help maximize the overall water supply and protect groundwater resources.

Currently, CALFED is pursuing an outreach program to local communities to determine in which areas interest exists in participating in a locally-controlled conjunctive use program. CALFED has developed guiding principles that are designed to protect resources, help address local concerns, and avoid potential impacts prior to implementing a conjunctive management operation. The draft principles developed to date include the following:

- Funding support will be provided for local assessment of groundwater resources.
- Conjunctive management programs will be voluntary.
- Groundwater will first be used to meet local water needs.
- Transfers outside the basin will involve appropriate compensation for the resource.
- Pilot programs, in addition to computer models, will be used to evaluate local conjunctive management potential and mitigation requirements.

- Conjunctive management projects will be overseen by local agencies in partnership with other entities to assure that concerns are addressed through interest-based negotiation.

- Groundwater withdrawals must be managed to avoid land subsidence and aquifer destruction.

Conjunctive management is, by definition, the operation of a groundwater basin in combination with a surface water storage and conveyance system for more effective management of the water supply. The CALFED alternatives assume that development of any groundwater system for conjunctive management cannot be effective without access to surface storage that enables water to be retained and released as needed.

Resolution of San Joaquin basin drainage problems is beyond the CALFED scope. San Joaquin drainage problems have been evaluated in several studies over the past two decades. Complete resolution of the San Joaquin drainage problems is beyond the scope of the CALFED Bay-Delta Program. However, some CALFED actions can reduce the San Joaquin drainage problems. For example, improved water quality (reduced salinity) to the Delta Mendota Canal would result in improved San Joaquin drainage and improved quality water in the San Joaquin River. Therefore, the CALFED Water Quality and Water Use Efficiency Programs include actions which control agricultural surface and subsurface drainage to improve water quality in the San Joaquin River region. In addition, actions included in the Water Use Efficiency Program will be effective in reducing drainage problems while simultaneously improving agricultural viability.

Recreational enhancement will be included with site specific development. CALFED seeks to plan for recreation enhancement and, if necessary, to mitigate impacts to Delta recreation resulting from CALFED activities designed to restore other Delta resources. Construction of new facilities will provide for appropriate on-site recreation development. The responsibilities and procedures for recreation development at new storage and other facilities is clearly addressed in current law. Federal and state laws and local laws and plans govern recreation developments associated with water development projects in and near the Delta. The Draft Programmatic EIS/EIR and accompanying technical reports address general impacts that CALFED Program implementation could have on recreational resources and on how the recreational resources could impact the other parts of the Program.

Within the existing CALFED framework exists the need and opportunity for recreation planning. Such planning could identify and prioritize recreation enhancement and mitigation projects for implementation once a preferred program alternative is selected. Specific recreation mitigation and enhancement actions and projects could then be selected appropriate to need. The time line of such a process should be consistent with the Phase III documentation and implementation

schedule, ensuring that recreation resources are appropriately considered as part of the Bay-Delta solution.

Land uses will not be converted to reduce water demands. The CALFED policy is not to convert land to reduce water demands. However, depending on water supply and water transfer opportunities available in the various alternatives, farmers may choose to change cropping patterns, temporarily fallow land, or permanently take land out of agricultural production. Program implementation will require some land conversion to accommodate new facilities or restoration activities.

CALFED will not directly focus on addressing the needs of San Francisco Bay. Several entities have expressed concern that CALFED is not directly focusing on promoting the health of San Francisco Bay, particularly the Central and South Bay areas. It is true that the Program has not included San Francisco Bay as part of its defined problem area (which includes the legally defined Delta, Suisun Bay extending to Carquinez Strait, and Suisun Marsh). Nevertheless, because the Bay-Delta system is part of a larger water and biological resource system, solutions to address the problems in the system will include a broader geographic scope extending both upstream and downstream. This solution scope includes San Pablo Bay, San Francisco Bay, and portions of the Pacific Ocean out to the Farallon Islands. In particular, the Program will address interactions between the Delta and San Francisco Bay, such as flow or sediment, by examining the "inputs" and "outputs" from the defined problem area. Using this approach, outputs such as flow or sediments that are needed to protect the rest of the Bay are considered within the scope of the Program. Watershed management can also provide benefits to the Bay.

Elements of CALFED's Ecosystem Restoration Program will benefit the health of San Francisco Bay. Ecosystem restoration actions would include provision of additional springtime Delta outflow, habitat improvements in the North Bay, watershed management actions surrounding the Bay, and control of exotic species throughout the ecosystem. These actions will be done in coordination with and in support of local efforts, such as the San Francisco Bay Habitat Joint Venture. In addition, improved water quality (through implementation of the Water Quality Program) and reduced sedimentation (due to greater sediment retention in wetland, riparian and floodplain habitats) in flows from the Delta would also contribute to a healthier Bay. Finally, Bay Area water districts that receive some of their water supply from the Delta would potentially benefit from the Water Use Efficiency Program.

In addition, given CALFED's solution principle that solutions should have no significant redirected impacts, consideration needs to be given to how each alternative might negatively affect San Francisco Bay. The Draft Programmatic EIS/EIR evaluates impacts (both adverse and beneficial) of the CALFED alternatives on the San Francisco Bay region.

Delta navigation will be maintained. Not all of the Delta waterways follow natural channels. Some were constructed for navigation which is an important Delta function. In addition to

periodic navigational work on many Delta waterways, the U.S. Army Corps of Engineers built and maintains two commercial shipping channels through the Delta. The ports of Stockton and Sacramento are served by the Stockton Deep Water Ship Channel, completed in 1933, and the Sacramento Deep Water Ship Channel, completed in 1963. Most of the length of these channels have since been deepened to 35 feet. It is possible that changes in flow patterns may result in changed operation and maintenance requirements of the channels.

Effects on hydropower generation will be minimized. The CALFED Program has no specific objectives for hydropower generation. However, CALFED does seek to minimize negative impacts on other resources, such as hydropower generation, during and after implementation. The Program may result in temporary or long-term changes in river and reservoir operations, which may affect the quantity, timing and value of hydropower produced within the Bay-Delta system. Also, additional pumping may increase the amount of Project Energy Use, that is, power consumed by the CVP and the SWP to move water through the system. An increase in Project Energy Use can reduce the amount of surplus hydropower that might otherwise be available for sale from the CVP (necessary to repay Project debt), and may increase the amount of power that must be purchased from outside sources to meet SWP Project Energy Use. Replacement for reduced availability of renewable hydropower would likely come from fossil fuel or other thermal generation. CALFED is coordinating with the Western Area Power Administration to assure that issues are identified and properly framed, so consequences and options are clear to stakeholders, the public, and the CALFED decision-makers.